

Message Text

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44

ACTION NEA-10

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1. SNOW VISITED COLOMBO JANUARY 24-28 PRIOR TO DEPARTURE
WE MET AT FOREIGN MINISTRY WITH DIRECTOR (WEST) BALASUBRAMANIAM
AND STATE FILM CORPORATION(SFC) GENERAL MANAGER NIHALSINGHA
AT BALASUBRAMANIAM'S REQUEST SO THAT THEY COULD REVIEW
CURRENT STATUS FOR SNOW'S BENEFIT.

2. REVIEW CONSISTED OF LENGTHY STATEMENT BY NIHALSINGHA
STRESSING THAT SRI LANKA LAW REQUIRES SFC TO TAKE OVER
DISTRIBUTION IN SRI LANKA OF ALL FILMS INCLUDING AMERICAN,
AND THAT THIS WAS MAJOR OBSTACLE TO ANY AGREEMENT WITH
KINEMATOGRAPHIC RENTERS SOCIETY(KRS) IN BOMBAY. THERE WAS
NO INDICATION OF ANY FLEXIBILITY IN NIHALSINGHA'S STATEMENT
OF THIS PROBLEM. HOWEVER, BALASUBRAMANIAM THEN SAID THAT HE
REGARDS BALL AS NOW IN HIS MINISTRY'S COURT, THAT HE THOUGHT
THERE WERE FEAGURES OF KRS-INDIA AGREEMENT THAT COULD BE
ADAPTED HERE, AND THAT HE WOULD SEEK TO REOPEN

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NEGOTIATING DIALOGUE WITH KRS AS SOON AS AGREED POSITION COULD

BE WORKED OUT WITHIN GSL. (HE TOLD ME PRIVATELY THAT POSITION PAPER WRITTEN EARLIER BY NIHALSINGHA HAD BEEN REJECTED BY MINISTRY, WAS BEING REWRITTEN, AND SHOULD BE READY SHORTLY. THIS SUGGESTS NIHALSINGHA IS RESISTING DILUTION OF HIS STRONG SOCIALIST VIEWS ON SFC'S ROLE AND DISPUTE MAY BE AWAITING HIGHER LEVEL DECISION.) HE SAID AS SOON AS POSITION PAPER ADOPTED, HE WOULD HOPE TO MAKE APPROACH TO KRS THROUGH EMBASSY'S GOOD OFFICES, BUT THIS APPROACH HAS NOT YET MATERIALIZED. WE REPEATED, OF COURSE, THAT WHILE WE WERE ANXIOUS TO SEE AGREEMENT REACHED, WE WERE NOT PARTY TO NEGOTIATIONS AND COULD TAKE NO PART IN THEM.

3. WHEN SNOW NOTED THAT DISTRIBUTION WAS ONLY PART OF PROBLEM AND THAT AMOUNT OF FILM EARNINGS TO BE REPATRIATED BY MPEAA WAS ALSO FACTOR, BOTH OFFICIALS DISMISSED IT AS EASILY NEGOTIABLE AND SAID RETURN TO EARLIER LEVELS OF CONVERTIBILITY WAS NO PROBLEM.

4. COMMENT: NIHALSINGHA'S STATEMENT OF DISTRIBUTION PROBLEM GAVE NO INDICATION OF GSL DECISION REPORTED EARLIER THAT WHATEVER MUST BE DONE TO ASSURE RETURN OF AMERICAN FILMS WOULD BE DONE. IT SOUNDED LIKE FORMULATION OF OPENING NEGOTIATING POSITION. WITH DIFFICULTIES IN ARRIVING AT AGREED POSITION WITHIN GSL AND PROSPECT OF LONG NEGOTIATIONS WITH KRS, AWARENESS SEEMS TO BE DAWNING HERE THAT RETURN OF AMERICAN FILMS TO SRI LANKA SCREENS IS NOT IMMINENT. THIS MAY ACCOUNT FOR INTERIM EFFORT REPORTED IN REFTEL TO OBTAIN RENEWED AUTHORIZATION TO SHOW FILMS ON HAND FROM EXPIRED PREVIOUS CONTRACT, AND ALSO FOR LEAK TO PRESS OF STORY THAT NEGOTIATIONS WITH KRS ARE ABOUT TO RESUME-- BOTH AIMED AT PLACATING PUBLIC IMPATIENCE.

5. PRESS LEAK APPARENTLY FROM FOREIGN MINISTRY WAS FRONT PAGED IN SUNDAY OBSERVER FEBRUARY FIRST UNDER 4-COLUMN HEAD: "US FILMS--MOVES TO GET THEM BACK." LEAD OF STORY SAYS: "WILL US FILMS COME BACK TO OUR CINEMA CIRCUITS? THE STATE FILM CORPORATION WILL DISCUSS THIS QUESTION SHORTLY IN ORDER TO FIND A FORMULA MUTUALLY SATISFACTORY TO THE AMERICAN CARTEL (KRS) AND TO US. INFORMAL MOVES, THE SUNDAY OBSERVER RELIABLY UNDERSTANDS, HAVE ALREADY BEEN MADE AT LIMITED OFFICIAL USE

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DIPLOMATIC LEVEL BETWEEN THE SRI LANKA GOVERNMENT, ITS EMBASSY IN WASHINGTON, AND THE STATE DEPARTMENT." STORY CITES SNOW VISIT, SUCCESS OF INDIA AGREEMENT, AND PUBLIC DISAPPOINTMENT AT LOSS OF AMERICAN FILMS. COPY POUCHED TO SNOW.
BRIGGS

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